

LYNCHBURG REGIONAL AIRPORT

COMMISSION MEMBER UPDATE

Tuesday, November 11, 2008

REPORT

LOWER FARES AT LYH BOOST PASSENGER TRAFFIC

Since first being introduced in late July, US Airways' new lower fare structure has resulted in a dramatic and welcome increase in passenger traffic at Lynchburg Regional Airport. For the month of September, passenger enplanements were up some 36 percent over the same month last year. In October, enplanements increased by 33 percent, with the airport experiencing its highest passenger count since May 2001. Even more impressive, passenger load factors in October reached 89 percent for Delta Connection and 85 percent for US Airways, and amounted to a total load factor airport wide of 86 percent.

Without a doubt, local demand for air service with the much more competitive airfare structure that we now have in place is considerable, and underscores the fact that we remain underserved. I will be attending a US Airways' roundtable meeting in Tempe, Arizona this week to further make our case for additional US Airways flights and the continuation of efforts to add Philadelphia service under our U.S. DOT grant.

FALWELL AVIATION RAMP REHAB AND TAXIWAY PROJECT COMPLETED

A complete rehabilitation of the remaining sections of the Falwell Aviation Jet Center ramp and construction of a new adjoining connector taxiway has been completed. Just in time to coincide with the opening of the new Falwell Aviation 13,200 square-foot hangar, the new ramp culminates a complete rehabilitation of all of the ramp areas serving the Falwell Jet Center facility. I'm pleased to report that the \$441,600 project was completed on time and construction coordination went remarkably well despite the need for Falwell to remain operational throughout the construction period.

NEW ARFF BUILDING ENTERS FINAL STAGES OF DESIGN

The airport's new Aircraft Rescue and Fire Fighting (ARFF) Building has reached the 50 percent design point, with bid documents now being prepared. It is expected that bid documents will be completed by January 23, 2009, with the project being advertised for bids on February 10, 2009. Bid opening is scheduled for March 15, 2009, with a target date for an FAA grant to be awarded by April 1. Since it appears that FAA funding will be released in two phases this fiscal year, we have been told that funding for the ARFF station will be included in the second phase which should be available by around April. Because of this split, it now appears that we will be able to be awarded more FAA discretionary funding for this project due to its high priority ranking, thus saving some of our entitlement funds for the next year. I will provide more details at next Monday's Commission meeting.

NEW ARFF TRUCK CONTRACT AWARDED

A notice to proceed for a new, state-of-the-art Aircraft Rescue and Fire Fighting (ARFF) vehicle was issued to the low bidder, Rosenbauer – General Safety Equipment Company, on October 27, 2008. The manufacturer has one-year to deliver the vehicle, which should just about coincide with completion of the new ARFF building. Once it is delivered, the current ARFF truck will be retained to serve as a back-up.

ENTERPRISE RENT A CAR TO CLOSE ITS AIRPORT LOCATION

In accordance with the terms of its lease, Enterprise Rent a Car has notified the airport of its intention to close its airport location, effective December 31, 2008. As you may recall, Enterprise has been suffering a continuing slow down in rental car business, and has reached the point that it is just not competitive with the other rental car companies at Lynchburg Regional Airport.

COMMISSION MEMBER RICK LOVING RESIGNS DUE TO RELOCATION

I was recently notified by Rick Loving that he would be stepping down as a member of the airport commission due to his relocating to Houston, Texas to accept a new position with Babcock & Wilcox's parent company, McDermott International. His resignation is effective November 15, 2008. I have been told that another official with B&W is interested in taking his commission slot and will be applying to City Council.

ITEMS FOR THE AGENDA

I have included on the agenda an air service update, a design overview of the new ARFF building, and a report by finance manager Wes Campbell on the airport's FY 2008 operating budget and results from our first quarter 2009 budget as well. And considering that Chairman Charles Nowlin will be completing his final term next month, I have also included a Commission discussion of a recommendation to City Council for a replacement chairman and vice chairman.

Until next week, if you have any questions or comments concerning the upcoming commission meeting, give me a call at 455-6089.

Respectfully yours,

Mark F. Courtney

Mark F. Courtney, A.A.E.
Airport Director

LYNCHBURG REGIONAL AIRPORT COMMISSION

Monday, November 17, 2008

4:00 p.m.

AGENDA FOR THE COMMISSION

1. Call to Order

CONSENT AGENDA

2. September 8, 2008 Regular Commission Meeting Minutes
3. Lynchburg Regional Airport November 2008 Air Service Update
4. October 2008 Passenger Traffic Report

Consent Agenda Recommended Action: Receive and File

REGULAR AGENDA

5. Report of the Airport Director
 - A. An update on Lynchburg Regional Airport's new lower fares and their impact on passenger traffic, air service levels and airport revenues
 - B. A report with regards to the design process and funding plan for the new ARFF station at Lynchburg Regional Airport
6. Report of Finance Manager
 - A. A report on the FY 2008 year-end operating budget and FY 2009 first quarter budget
7. A Commission discussion regarding making a recommendation to City Council for a new Commission Chairman and Vice Chairman
8. Miscellaneous business
 - A. Inquiries and/or comments by Commission Members
9. Reports of airport businesses
10. Hearings of citizens upon Commission matters
11. Adjournment

**MINUTES OF
THE
LYNCHBURG REGIONAL AIRPORT COMMISSION MEETING
September 8, 2008
4:00 p.m.**

PRESENT:

Charles S. Nowlin, Jr.
Janice Crawford
Don Banker
David Laurell
Jones Stanley
David Young
Billy Giles

ABSENT:

Kimball Payne
Rick Loving

STAFF PRESENT:

Mark Courtney, Airport Director
Rick Stein, Deputy Airport Director

(1) CALL TO ORDER:

Mr. Charles Nowlin, Chairman, called the meeting to order at 4:00 p.m.

Mr. Mark Courtney said just for the record, the Finance Manager was out sick so he would be giving the report for the Finance Manager.

(2) APPROVAL OF SEPTEMBER 8, 2008 CONSENT AGENDA

Mr. Nowlin asked if everyone had received the items from the consent agenda; the June 30, 2008 Commission Meeting Minutes, the September 2008 Air Service Update and the July 2008 Passenger Traffic Report. He then asked if there were any questions or comments regarding the consent agenda items.

There being no questions or comments Mr. Nowlin asked for a motion to receive and file. The motion was made, seconded and unanimously accepted by all.

(3) REPORT OF AIRPORT DIRECTOR

A. A report with regards to new airline fares recently introduced at Lynchburg Regional Airport

Mr. Mark Courtney said the first report is regarding the new air fares we now have. He gave a presentation showing a chart with what our fares have been like. He further detailed the history of our fares and the end result. He then showed a chart with our average fares now. He said that he had given a presentation to US Airways at Jump Start which was basically the presentation that he had given the Commission at the last

Commission meeting focusing primarily on fares. In terms of high fares, he said part of the reason that they got so out of line was that US Air reduced seat capacity. He said the airlines in response of course raised their fares. Even with the reduced seat capacity and higher fares however, our load factors remained reasonably strong so they were still making money even though the fares were still high. He then said they took it to the extreme, meaning that they hit the point of price resistance and, along with the economy and everything else, the bottom fell out. So when all of those things combined, they finally decided they were going to offer some competitive fares. He showed a slide that showed the comparison between us and other area airports. He said this was based on published fares as of August 19, 2008. He explained the chart and further discussed it. He said fortunately for us now our fares are lower as was indicated on the previous slide, even lower than Roanoke in some cases. He said this is a fare initiative that US Airways has introduced at smaller commercial service airports that had been disproportionately hurt by loss of service and high fares. He said he was sure there was an aspect of competitive response for an attempt to gain market share by possibly forcing out another airline at those smaller markets where they compete. He said to keep in mind that one of his concerns now is Delta operates at such a higher cost than the Dash 8. He went on to further elaborate. There followed a general discussion.

B. A presentation on the design process for a new ARFF station at Lynchburg Regional Airport

Mr. Courtney said as the members were aware, we are in the design phase for our new ARFF station. He showed the Commission a drawing (blue print) of what it is going to look like. He said it was a 4600 square foot facility, 4000 square foot, two-bay ARFF building, and two and a half apparatus bays. He said we are going to have room for 2 ARFF trucks. He said we only have to have one truck now, but when you buy a new one you keep the old one as back-up. There ensued additional discussion. Mr. Courtney said the project is in the design phase now and we are looking to have all the bid documents completed by January 23, 2009 with advertising occurring February 10, 2009 and a bid opening of March 15, 2009 and we are hoping to have a recommendation of the board by April 1, 2009 with a completion in fall 2009 and that should be about the time that we receive the ARFF vehicle.

It was asked what we had planned to do with the old ARFF building, and Mr. Courtney went into some detail as to our current plans for the building.

C. An update on the Falwell Aviation Jet Center ramp rehabilitation and construction of a connector taxiway

Mr. Courtney said the Falwell ramp, as the Members knew was a project that was included in our PFC application. He said we had a time limit on when we had to commit to spend the funds. He went on to explain and detail the project and the funding. There was additional discussion regarding this project. He told the Commission it was a 28-day project.

(4) REPORT OF FINANCE MANAGER

A. A report on the FY 2008 year-end operating budget

Mr. Nowlin said that he assumed that this would be deferred until the next meeting due to Mr. Wes Campbell not being in attendance. Mr. Courtney said perhaps the Finance Manager could do a final follow-up. He said that from what we have seen from the final reports are that we came in using less than authorized subsidy. He said we came in relatively strong. He went on to further elaborate on the issue. There followed a general discussion.

(5) A PRESENTATION BY LIBERTY UNIVERSITY ON ITS FALL AVIATION CLASS AND ACTIVITIES

Mr. Ernie Rogers thanked the Commission for allowing them to come and give an update as they had not done it in a number of years. He said that he would like to give a quick update on where they are now and what they have going on at Liberty. He said

if you look at their enrollment history you can see that they have jumped up to 254 this fall and that is a big jump from last year. He said they have 78 new students and they have their hands full. He went on to give a brief presentation on the fall aviation class and activities at Liberty University. There followed a brief discussion.

(6) MISCELLANEOUS BUSINESS

A. Inquiries and/or comments by Commission Members

Mr. Nowlin said he had one comment and that was Mr. Courtney had notified the Members that Mr. Dave Young had been chosen by the Virginia Department of Aviation as Aviation Person of the Year. The Members applauded and there was a brief discussion.

Mr. Nowlin asked if there were any other inquiries and/or comments by Commission Members. There were none.

(7) REPORTS OF AIRPORT BUSINESSES

Mr. Nowlin asked if there were any reports of airport business.

Mr. Jim Lampman briefly discussed the fueling situation as he saw it here at Lynchburg Regional Airport. There ensued a general discussion.

(8) HEARINGS OF CITIZENS UPON COMMISSION MATTERS

Mr. Nowlin asked if there were any questions or comments of citizens. There were none.

(9) ADJOURNMENT

There being no further business, the meeting was adjourned.

Lynchburg Regional Airport Commission

Effective Nov 2008

AIR SERVICE UPDATE

Summary The number of daily departure seats is 261 and the daily departure frequency is 6.

Carrier Profile	<u>Airline</u>	<u>Destination</u>	<u>Departures</u>	<u>Seats</u>	<u>Equipment</u>
	Delta Connection	Atlanta	2	100	CRJ
	US Airways	Charlotte	<u>4</u>	<u>174</u>	DH3 / DH8
AIRPORT TOTAL:			6	274	

Delta Connection Delta added a second flight on Tuesdays and Wednesdays the first week of November. Delta has indicated that as long as demand is high, these additional flights will remain on the schedule indefinitely.

US Airways Effective November 8, US Airways will resume three flights on Saturdays.

Destinations Served	<u>Non-Stop</u>	<u>Departures</u>	<u>Total</u>
Atlanta		2	2
Charlotte		<u>4</u>	<u>4</u>
		6	6

Aircraft Types	<u>Aircraft</u>	<u>No. of Departures/Day</u>
	DH8 Dash 8	2
	DH3 Dash 8-300	2
	CRJ Bombardier CRJ200	2

LYNCHBURG REGIONAL AIRPORT AIR TRAFFIC REPORT FOR OCTOBER 2008

AIR TRAFFIC REPORT

	MONTH			YR TO DATE/TOTALS		PERCENTAGE CHANGES		
	Oct-08	Sep-08	Oct-07	2008	2007	Oct-08	Oct-07	08 YTD
ENPLANED PASSENGERS	6,418	5,314	4,817	43,044	46,679	20.8%	33.2%	-7.8%
DEPLANED PASSENGERS	6,157	5,131	4,842	42,685	46,336	20.0%	27.2%	-7.9%
TOTAL PASSENGERS	12,575	10,445	9,659	85,729	93,015	20.4%	30.2%	-7.8%
AIRCRAFT OPERATIONS (Landings and Takeoffs)								
Air Carrier	508	449	573	5,138	5,514	13.1%	-11.3%	-6.8%
General Aviation	7,539	5,343	5,220	50,390	43,450	41.1%	44.4%	16.0%
Military	123	127	80	1,039	873	-3.1%	53.8%	19.0%
Total	8,170	5,919	5,873	56,567	49,837	38.0%	39.1%	13.5%

AIR TRAFFIC REPORT

	MONTH			YEAR TO DATE/TOTALS		CHANGES		
	Oct-08	Sep-08	Oct-07	2008	2007	Oct-08	Oct-07	08 YTD
NUMBER OF DAILY SCHEDULED FLIGHTS								
USAirways Express - Piedmont	4	4	4			0.0%	0.0%	
USAirways Express - PSA	0	0	0					
ACA - United Express	0	0	0					
ASA - Delta Connection	2	2	2			0.0%	0.0%	
Allegheny	0	0	0					
Shuttle America	0	0	0					
Air Midwest	0	0	0					
Total	6	6	6			0.0%	0.0%	
NUMBER OF ACTUAL FLIGHTS								
USAirways Express - Piedmont	115	111	118	1,139	1,217	3.6%	-2.5%	-6.4%
USAirways Express - PSA	0	0	0	-	-			
ACA - United Express	0	0	0	-	-			
ASA - Delta Connection	49	49	57	516	736	0.0%	-14.0%	-29.9%
Allegheny	0	0	0	-	-			
Shuttle America	0	0	0	-	-			
Air Midwest	0	0	0	-	-			
Total	164	160	175	1,655	1,953	2.5%	-6.3%	-15.3%
NUMBER OF CANCELLED FLIGHTS								
USAirways Express - Piedmont	2	1	3	33	33	1	-1	0
USAirways Express - PSA	0	0	0	-	-	0	0	0
ACA - United Express	0	0	0	-	-	0	0	0
ASA - Delta Connection	0	0	0	13	35	0	0	-22
Allegheny	0	0	0	-	-	0	0	0
Shuttle America	0	0	0	-	-	0	0	0
Air Midwest	0	0	0	-	-	0	0	0
Total	2	1	3	46	68	1	-1	-22

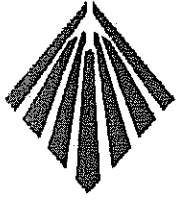
LYNCHBURG REGIONAL AIRPORT AIR TRAFFIC REPORT FOR OCTOBER 2008

AIR TRAFFIC REPORT												
Revenue Passengers Only		MONTH		YEAR TO DATE TOTALS		PERCENTAGE CHANGES			PERCENT OF AIRPORT TOTAL			
		Oct-08	Sep-08	Oct-07	2008	2007	Oct-08 Sep-08	Oct-08 Oct-07	08 YTD 07 YTD	Oct-08	Sep-08	Oct-07
ENPLANED PASSENGERS												
USAirways Express - Piedmont	4,238	3,468	2,965	26,047	28,182		22.2%	42.9%	-7.6%	66.0%	65.3%	61.6%
USAirways Express - PSA	0	0	0							0.0%	0.0%	0.0%
ACA - United Express	0	0	0							0.0%	0.0%	0.0%
ASA - Delta Connection	2,180	1,846	1,852	16,997	18,497		18.1%	17.7%	-8.1%	34.0%	34.7%	38.4%
Allegheny	0	0	0							0.0%	0.0%	0.0%
Shuttle America	0	0	0							0.0%	0.0%	0.0%
Air Midwest	0	0	0							0.0%	0.0%	0.0%
Charter	0	0	0							0.0%	0.0%	0.0%
Total	6,418	5,314	4,817	43,044	46,679		20.8%	33.2%	-7.8%	100.0%	100.0%	100.0%
DEPLANED PASSENGERS												
USAirways Express - Piedmont	4,000	3,242	2,941	25,541	27,784		23.4%	36.0%	-8.1%	65.0%	63.2%	60.7%
USAirways Express - PSA	0	0	0							0.0%	0.0%	0.0%
ACA - United Express	0	0	0							0.0%	0.0%	0.0%
ASA - Delta Connection	2,157	1,889	1,901	17,144	18,552		14.2%	13.5%	-7.6%	35.0%	36.8%	39.3%
Allegheny	0	0	0							0.0%	0.0%	0.0%
Shuttle America	0	0	0							0.0%	0.0%	0.0%
Air Midwest	0	0	0							0.0%	0.0%	0.0%
Colgan Air	0	0	0							0.0%	0.0%	0.0%
Charter	0	0	0							0.0%	0.0%	0.0%
Total	6,157	5,131	4,842	42,685	46,336		20.0%	27.2%	-7.9%	100.0%	100.0%	100.0%
TOTAL PASSENGERS												
USAirways Express - Piedmont	8,238	6,710	5,906	51,588	55,966		22.8%	39.5%	-7.8%	65.5%	64.2%	61.1%
USAirways Express - PSA	-	-	-							0.0%	0.0%	0.0%
ACA - United Express	-	-	-							0.0%	0.0%	0.0%
ASA - Delta Connection	4,337	3,735	3,753	34,141	37,049		16.1%	15.6%	-7.8%	34.5%	35.8%	38.9%
Allegheny	-	-	-							0.0%	0.0%	0.0%
Shuttle America	-	-	-							0.0%	0.0%	0.0%
Air Midwest	-	-	-							0.0%	0.0%	0.0%
Colgan Air	0	-	-							0.0%	0.0%	0.0%
Charter	-	-	-							0.0%	0.0%	0.0%
Total	12,575	10,445	9,659	85,729	93,015		20.4%	30.2%	-7.8%	100.0%	100.0%	100.0%
AIR TRAFFIC REPORT												
NON-REVENUE PASSENGERS ONLY												
ENPLANED NON-REVENUE PASSENGERS		MONTH		YEAR TO DATE TOTALS		PERCENTAGE CHANGES			PERCENT OF AIRPORT TOTAL			
		Oct-08	Sep-08	Oct-07	2008	2007	Oct-08 Sep-08	Oct-08 Oct-07	08 YTD 07 YTD	Oct-08	Sep-08	Oct-07
USAirways Express - Piedmont	115	114	186	1,620	1,627		0.9%	-38.2%	-0.4%	68.0%	71.7%	63.7%
USAirways Express - PSA	0	0	0							0.0%	0.0%	0.0%
ACA - United Express	0	0	0							0.0%	0.0%	0.0%
ASA - Delta Connection	54	45	106	755	981		20.0%	-49.1%	-23.0%	32.0%	28.3%	36.3%
Allegheny	0	0	0							0.0%	0.0%	0.0%
Shuttle America	0	0	0							0.0%	0.0%	0.0%
Air Midwest	0	0	0							0.0%	0.0%	0.0%
Total	169	159	292	2,375	2,608		6.3%	-42.1%	-8.9%	100.0%	100.0%	100.0%

LYNCHBURG REGIONAL AIRPORT AIR TRAFFIC REPORT FOR OCTOBER 2008

AIR TRAFFIC REPORT NON-REVENUE PASSENGERS ONLY

	MONTH			YEAR TO DATE TOTALS			PERCENTAGE CHANGES				PERCENT OF AIRPORT TOTAL			
	Oct-08	Sep-08	Oct-07	2008	2007		Oct-08	Sep-08	Oct-07	08 YTD	Oct-08	Sep-08	Oct-07	08 YTD
DEPLAINED NON-REVENUE PASSENGERS														
US Airways Express - Piedmont	105	102	198	1,547	1,652		2.9%		-47.0%	-6.4%	66.9%	74.5%		70.5%
US Airways Express - PSA	0	0	0								0.0%	0.0%		0.0%
ACA - United Express	0	0	0								0.0%	0.0%		0.0%
ASA - Delta Connection	52	35	83	631	818		48.6%		-37.3%	-22.9%	33.1%	25.5%		29.5%
Allegheny	0	0	0								0.0%	0.0%		0.0%
Shuttle America	0	0	0								0.0%	0.0%		0.0%
Air Midwest	0	0	0								0.0%	0.0%		0.0%
Total	157	137	281	2,178	2,470		14.6%		-44.1%	-11.8%	100.0%	100.0%		100.0%
TOTAL NON-REVENUE PASSENGERS														
US Airways Express - Piedmont	220	216	384	3,167	3,279		1.9%		-42.7%	-3.4%	67.5%	73.0%		67.0%
US Airways Express - PSA	-	-	-								0.0%	0.0%		0.0%
ACA - United Express	-	-	-								0.0%	0.0%		0.0%
ASA - Delta Connection	106	80	189	1,386	1,799		32.5%		-43.9%	-23.0%	32.5%	27.0%		33.0%
Allegheny	-	-	-								0.0%	0.0%		0.0%
Shuttle America	-	-	-								0.0%	0.0%		0.0%
Air Midwest	-	-	-								0.0%	0.0%		0.0%
Total	326	296	573	4,553	5,078		10.1%		-43.1%	-10.3%	100.0%	100.0%		100.0%



Lynchburg Regional Airport

4308 Wards Road, Lynchburg, Virginia 24502 • (434) 455-6090 • Fax (434) 239-9027



September 3, 2008

Airport Commission
Lynchburg Regional Airport
Lynchburg, Virginia

Re: June 30, 2008 - Annual Financial Summary - Lynchburg Regional Airport Fund

REGIONAL AIRPORT FUND

The attached Lynchburg Regional Airport Operating Fund Financial Summary reflects the financial activity for this Fund for the fiscal year ended June 30, 2008. Economic and financial upheaval in the airline industry significantly impacted Lynchburg Regional Airport this fiscal year (as it has almost every airport in the country) primarily because of unprecedented fuel prices. Total flight departures decreased 23%, seat capacity decreased 17%, and passenger traffic decreased 15% as compared to the previous fiscal year. Despite this, the airport finished FY 2008 with only a 1.2% decrease in airport-generated revenue. Total expenses increased 3.4% versus the previous fiscal year but were \$40,856 less than budgeted. The FY 2008 operating subsidy from the City of \$359,364 was \$70,841 less than originally budgeted and \$7,973 less than the FY 2007 subsidy. Results for FY 2008 should be considered preliminary pending completion of the annual audit.

REVENUE HIGHLIGHTS

- Airfield Revenue: Actual revenue was \$20,662 less than budget due to a decrease in landing fees as a result of airline flight reductions.
- Terminal Revenue: Actual revenue was \$37,848 more than budget due to continued strength in rental car related revenue and increased rent from the Transportation Security Administration (TSA) for additional office space.
- General Aviation: Actual revenue was \$21,330 more than budget due to increased fuel flowage fees and facility rents.
- State Airport Aid: Actual revenue was \$4,737 less than budget due to less spending on state-reimbursable items than anticipated.
- Federal Security Reimbursements: Actual revenue was \$28,790 less than budget due to actual security checkpoint hours averaging less than projected.
- Interest & Other: Actual revenue was \$10,513 more than budget due partly to a one-time partial reimbursement for new flooring in the General Aviation terminal.

EXPENSE HIGHLIGHTS

Summarized expense variances:

- Airfield Operations: Actual expenses were \$33,284 more than budget mainly due to unexpected runway lighting expenses and increased cost of gas & diesel fuel.
- Terminal Operations: Actual expenses were \$12,305 less than budget due to reductions in state-supported Air Service Development programs.
- General Aviation: Actual expenses were \$17,054 more than budget due to several non-recurring maintenance projects for repairs to leased facilities.
- Safety (ARFF & LEO): Actual expenses were \$24,027 less than budget due to security checkpoint hours averaging less than projected.
- Snow Removal: Actual expenses were \$17,515 less than budget due to fewer than anticipated snow and ice events this past winter.

SUMMARY

Despite significantly declining airport passenger traffic, airport revenues exceeded budget estimates for FY 2008. Expenses, overall, were held to within budget. The FY 2008 operating subsidy from the General Fund of \$359,364 is the smallest since the airport became an enterprise fund in FY 1997. It is noteworthy that the airport was able to reduce the annual subsidy for the sixth year in a row despite the many airline industry financial challenges. The following is a history of recent annual subsidies:

FY 2002 - \$614,530 (31% of expenses)
FY 2003 - \$577,933 (26% of expenses)
FY 2004 - \$490,831 (23% of expenses)
FY 2005 - \$419,980 (19% of expenses)
FY 2006 - \$398,485 (17% of expenses)
FY 2007 - \$367,337 (15% of expenses)
FY 2008 - \$359,364 (15% of expenses)

Thank you for the opportunity to present these results for FY 2008 and I would be happy to answer any questions you may have.

Respectfully submitted,



Wesley D. Campbell
Airport Finance Manager

LYNCHBURG REGIONAL AIRPORT
OPERATING FUND FINANCIAL SUMMARY
June 30, 2008

	FY 2007 Actual (thru 6/30/07)	FY 2008 Amended Budget	FY 2008 Actual (thru 6/30/08)	\$ Variance FY 2008 Actual vs Budget
BEGINNING NET ASSETS	\$ 20,294,521		\$ 19,943,233 (1)	\$ -
Less: Invested in Capital Assets, net of related debt	19,970,299		19,546,546	
BEGINNING UNRESTRICTED NET ASSETS	<u>\$ 324,222</u>	<u>\$ 174,018</u>	<u>\$ 396,687</u>	<u>\$ -</u>
FY 2008 BOND REFUNDING PROCEEDS		\$ 5,866	\$ 2,082	
REVENUES				
Airfield	133,908	126,500	105,838	(20,662)
Terminal	1,230,430	1,185,709	1,223,556	37,848
General Aviation	281,955	274,200	295,530	21,330
Other Leased Property	189,630	201,500	202,018	518
State Airport Aid	91,850	85,000	80,263	(4,737)
Federal Security Aid	101,144	129,180	100,390	(28,790)
General Fund Subsidy	367,337	399,265	359,364	(39,901)
Interest & Other	46,993	32,214	42,727	10,513
	<u>\$ 2,443,248</u>	<u>\$ 2,433,568</u>	<u>\$ 2,409,686</u>	<u>\$ (23,882)</u>
EXPENSES				
Airfield Operations	209,953	248,090	281,374	(33,284)
Terminal Operations	558,629	531,027	529,083	1,944
General Aviation	159,336	97,638	114,692	(17,054)
Administration	592,381	607,677	595,372	12,305
Safety (ARFF & LEO)	332,416	374,446	350,419	24,027
Snow Removal	13,661	27,636	10,121	17,515
Debt Service	410,318	387,833	386,755	1,078
Transfer to Airport Capital Funds	6,000	30,000	0	30,000
Other	88,085	187,886	183,560	4,326
Year End Encumbrances		21,218		
	<u>\$ 2,370,779</u>	<u>\$ 2,513,452</u>	<u>\$ 2,451,378</u>	<u>\$ 40,856</u>
ENDING UNRESTRICTED NET ASSETS	<u>\$ 396,687</u>	<u>\$ 100,000</u>	<u>\$ 357,077 (2)</u>	

FOOTNOTES:

1) Beginning Net Assets agrees with the Comprehensive Annual Financial Report (CAFR) with the following adjustment:

Total Net Assets per CAFR 6/30/07	\$ 30,864,583
Less: Net Assets in Capital & PFC Fund	<u>\$(10,921,350)</u>
Total Beginning Net Assets	\$ 19,943,233

2) FY 2008 Ending Unrestricted Net Assets is comprised of the following:

Des. for Debt Service (Rental Car Facility)	\$ 130,925
Des. for Maintenance (Rental Car Facility)	\$ 93,358
Reserve for Encumbrances	\$ 21,218
Undesignated Retained Earnings	<u>\$ 111,576</u>
	\$ 357,077

LYNCHBURG REGIONAL AIRPORT FUND - REVENUES

	FY07 Actual	FY08 Budget	FY08 Actual	FY08 Actual vs FY07 Actual % Change
REVENUE CENTERS				
AIRFIELD REVENUE				
Airline Landing Fees	133,908	126,500	105,838	-21.0%
Total Airfield Revenue	133,908	126,500	105,838	-21.0%
TERMINAL REVENUE				
Airline Exclusive Space	98,725	98,725	105,142	6.5%
Airline Common Area	145,152	145,144	145,144	0.0%
TSA Office Rent	39,969	49,360	49,725	24.4%
Rental Car Parking Space	17,750	17,280	18,446	3.9%
Rental Car Counter Rent	25,945	25,200	27,249	5.0%
Rental Car Facility Charge	171,592	170,000	170,978	-0.4%
Food/Vending Concession	4,630	4,000	4,793	3.5%
Terminal Advertising	38,874	35,000	35,200	-9.5%
Airport Limo Concession	6,049	6,000	4,325	-28.5%
Rental Car Concession	383,234	360,000	390,622	1.9%
Parking Lot Concession	298,510	275,000	271,932	-8.9%
Other	0	0	0	0.0%
Total Terminal Revenue	1,230,430	1,185,709	1,223,556	-0.6%
GENERAL AVIATION REVENUE				
Fuel Flowage	43,820	43,000	53,065	21.1%
Facilities - Virginia Aviation	112,680	111,500	115,152	2.2%
Facilities - Falwell Aviation	91,566	89,700	101,402	10.7%
Aircraft Landing & Parking Fees	4,728	3,000	3,979	-15.8%
Thru-put Fees	29,161	27,000	21,932	-24.8%
Total General Aviation Revenue	281,955	274,200	295,530	4.8%
OTHER AIRPORT REVENUE				
State Police Hangar Lease	78,136	78,900	79,144	1.3%
FAA Tower Lease	40,044	41,400	41,445	3.5%
Steel Co. Land Lease	0	7,000	7,000	100%
Childress Lease	1,200	1,200	1,200	0.0%
Fire Training Center Rent	17,500	17,500	17,500	0.0%
Police Firing Range Rent	2,500	2,500	2,500	0.0%
T-Hangar Rent	50,250	53,000	53,229	5.9%
Total Other Airport Revenue	189,630	201,500	202,018	6.5%
TOTAL REVENUE CENTERS	1,835,924	1,787,909	1,826,942	-0.5%
MISCELLANEOUS				
Investment Interest	21,730	19,214	18,905	-13.0%
Charges for Services	12,186	9,000	12,742	4.6%
State Airport Aid	91,850	85,000	80,263	-12.6%
Federal Security Aid	101,144	129,180	100,390	-0.7%
Other	13,077	4,000	11,079	-15.3%
TOTAL MISCELLANEOUS	239,987	246,394	223,379	-6.9%
TOTAL AIRPORT-GENERATED REVENUE:	2,075,911	2,034,303	2,050,321	-1.2%
GENERAL FUND SUBSIDY				
Transfer from General Fund	367,337	399,265	359,364	-2.2%
TOTAL GENERAL FUND SUBSIDY	367,337	399,265	359,364	-2.2%
TOTAL ALL REVENUES	2,443,248	2,433,568	2,409,685	-1.4%

LYNCHBURG REGIONAL AIRPORT FUND - EXPENSES

BUDGET SUMMARY

	FY07 Actual	FY08 Budget	FY08 Actual	FY08 Actual vs FY07 Actual % Change
Personnel (FTE)	20.70	20.70	20.70	0.0%
DEPARTMENTAL				
Salaries & Wages	\$544,436	\$599,609	\$598,138	9.9%
Employee Benefits	207,952	226,151	222,089	6.8%
Contractual Services				
Maintenance & Repair	214,376	119,978	158,767	-25.9%
Professional Services	9,644	7,260	12,368	28.2%
Temporary Personnel	0	0	0	0.0%
Advertising & Public Relations	51,634	50,500	57,733	11.8%
Airport Rescue & Fire Fighting	215,893	231,000	212,639	-1.5%
Misc Contractual Services	50,598	71,723	65,652	29.8%
Fleet Service Charges	17,039	16,196	13,803	-19.0%
Other Charges				
Supplies & Materials	96,152	91,616	129,235	34.4%
Utilities	173,918	170,600	142,898	-17.8%
Travel & Training	6,978	11,000	5,861	-16.0%
Telecommunications	5,089	5,800	5,442	6.9%
Postage & Mailing	1,019	1,500	925	-9.3%
Dues & Memberships	2,245	4,250	4,374	94.8%
Miscellaneous	72		578	100.0%
Equipment Rental	2,919	2,900	3,456	18.4%
Payments to Other Funds				
Indirect Cost Allocation	105,867	91,002	91,002	-14.0%
Self-Insurance	56,128	56,249	53,309	-5.0%
DEPARTMENTAL TOTAL	\$1,761,957	\$1,757,335	\$1,778,267	0.9%
NON-DEPARTMENTAL				
Security Personnel (Federal Program)	\$104,420	\$129,180	\$102,795	-1.6%
Nonrecurring Maintenance	65,607	139,760	159,277	142.8%
Independent Financial Audit	10,939	9,762	8,946	-18.2%
Uncollectible Accounts	718	5,000	634	-11.7%
Other Non-Departmental	10,820	14,564	14,704	35.9%
Transfer to Capital Projects	6,000	30,000	0	-100.0%
NON-DEPARTMENTAL TOTAL	\$198,503	\$328,266	\$286,355	44.3%
OTHER				
Debt Service	\$410,318	\$387,833	\$386,755	-5.7%
Debt Service Reserve-Rental Car Facility		18,800		#DIV/0!
Maintenance Reserve-Rental Car Facility		0		#DIV/0!
Year-end Encumbrances		21,218		#DIV/0!
OTHER TOTAL	\$410,318	\$427,851	\$386,755	-5.7%
GRAND TOTAL	\$2,370,779	\$2,513,452	\$2,451,378	3.4%